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Selected Speeches and News Releases

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FISH MEAL IS MORE EFFICIENT PROTEIN BOOSTER FOR COWS

WASHINGTON, Aug. 4—Giving dairy cows a high-protein seafood supplement—an accepted practice in Europe—could benefit U.S. cows and milk producers, a U.S. Department of Agriculture scientist has reported.

"Cows are able to use more of the protein in fish meal" than in solvent soybean meal, the usual protein supplement fed to U.S. dairy cows, said Glen A. Broderick, a dairy scientist with USDA's Agricultural Research Service in Madison, Wisconsin.

He said fish meal costs 11 cents more per day than solvent soybean meal, but tests showed cows gave four percent more milk—36 cents per cow per day more at current prices—with the fish meal supplement. The 25-cent difference would amount to $12 per day for the average Wisconsin farm with 48 cows, he said.

According to an industry source, fish meal does not affect the flavor of dairy products.

Broderick conducted 12-week feeding studies with 20 Holstein cows at the U.S. Dairy Forage Center operated by ARS in Madison. He reported the findings this week at the American Dairy Science Association meeting in Lexington, Ky.

"Cows gave 3 pounds (1.4 quarts) more milk per day, a four percent increase, when they ate high quality alfalfa silage mixed with one pound per day of protein from fish meal instead of solvent soybean meal," he said.

Fish meal is very acceptable to the cows so long as it is mixed into the regular feed ration, he added. He tested the two supplements mixed with a diet of 30 percent concentrate and 70 percent regular alfalfa silage.

The results demonstrated that fish meal is a superior supplement because the cow makes better use of it compared with the protein in solvent soybean meal, Broderick said.

He explained that cows require a lot of dietary protein so they can produce the amino acid building blocks needed to make milk protein. And although alfalfa silage is high in protein, this protein is not used as well by the cow. "Most of it," he said, "is broken down by natural

microorganisms that live in a cow's rumen.'' The rumen is the first compartment of a cow's four-part digestive tract.''

Soybean meal protein is also extensively broken down in the rumen. However, fish meal protein resists this breakdown and largely bypasses the rumen, so ''more protein is available to be absorbed from the cow's intestine,'' said Broderick. ''This directly benefits the cow by giving her extra amino acids for milk production.''

Besides getting a protein boost from fish meal, the cows in the study gave milk with four percent more protein. That means the milk would yield slightly more cheese than milk from cows on the soybean meal supplement. Most dairy production in the upper Midwest goes into making cheese, he said.

Broderick plans future studies to compare fish meal with other high bypass proteins, such as expeller (heated) soybean meal and roasted soybeans.

''Fish meal is a 'super cocktail' of amino acids for cows,'' said Kelsey Short, a marketing manager for Zapata Haynie Corporation, an industrial and commercial ocean fishing company in Hammond, La.

''The two most common myths about feeding cows fish meal are that the cows won't eat it and that the milk will taste fishy,'' Short said. ''Both of these myths have been thoroughly researched and found to be untrue.''

Zapata Haynie will soon market a processed fish meal for dairy cows, Short said. ''The Europeans have fed fish meal for several years now, and it's an accepted practice,'' he added. He believes the practice will also be well accepted by U.S. dairy producers.

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USDA RELEASES FIFTH ANNUAL EXPORT GRAIN QUALITY REPORT

WASHINGTON, Aug. 3—A report released today by the U.S. Department of Agriculture's Federal Grain Inspection Service shows that last year's drought had little impact on the overall quality of exported U.S. grain, and that all grain exported from the United States in 1988 met or exceeded the grade requirements of importers' contracts.

FGIS Administrator W. Kirk Miller said, ''While last summer's drought had a devastating effect on the size of U.S. crops, it did not hurt the quality of the grain we exported.''

The FGIS report is based on its annual survey of official inspections of shipments of domestic grain bound for foreign destinations. While the agency has produced quality summaries of exported U.S. wheat, corn and soybeans since 1984, the 1988 report is the first to cover all exported grains.

Highlights of the 1988 report, based on comparisons to 1987 quality data, include the following:

—Wheat moisture decreased or remained the same for all lots except for hard red spring wheat; test weight per bushel increased for all classes except Durum.

—Corn moisture and amount of damaged kernels decreased; a small increase was reported in broken corn and foreign material.

—Soybeans showed an increase in test weight and a decrease in amount of damaged kernels, but an increase in amount of foreign material and split soybeans.

In compiling the 1988 report, FGIS analyzed inspection data representing 1.54 billion bushels of wheat, 1.86 billion bushels of corn, 667 million bushels of soybeans, 245 million bushels of sorghum, and 107 million bushels of other U.S. grains bound for export. The report provides averages by grade of quality factors such as test weight and amount of damaged kernels and foreign material.

''We believe this yearly summary assists the grain industry in export markets, and that the data base we are building from the summaries will help FGIS in planning for the future,'' Miller said.

For more information and copies of the 1988 U.S. Export Grain Quality Report, write to Allen A. Atwood, USDA, FGIS, P.O. Box 96454, Washington, D.C. 20090-6454; FAX, (202) 447-4628.

Allen A. Atwood (202) 475-3367

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USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, Aug. 3—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, Aug. 4, through midnight Thursday, Aug. 10.

Since the adjusted world price (AWP) is above the 1987, 1988 and 1989 crop base quality loan rates of 52.25, 51.80 and 50.00 cents per pound, respectively, the loan repayment rates for the 1987, 1988 and 1989 crops of upland cotton during this period are equal to the respective loan rates for the specific quality and location.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

Based on data for the week ending Aug. 3, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price		
Northern Europe Price		83.15
Adjustments:		
Average U.S. spot market location	11.91	
SLM 1-1/16 inch cotton	2.20	
Average U.S. location	0.39	
Sum of Adjustments		-14.50
ADJUSTED WORLD PRICE		68.65 cents/lb.
Coarse Count Adjustment		
Northern Europe Price		83.15
Northern Europe Coarse Count Price		-78.82
		4.33
Adjustment to SLM 1-inch cotton		-4.75
		-0.42
COARSE COUNT ADJUSTMENT		0 cents/lb.

The next AWP and coarse count adjustment announcement will be made on Aug. 10.

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USDA ANNOUNCES PARTICIPANTS IN APPLE ASSISTANCE PROGRAM

WASHINGTON, Aug. 4—The U.S. Department of Agriculture today announced that it has awarded $9.5 million in contracts to apple producers who applied for acceptance in its recently announced $15-million apple assistance program.

"A total of 1.4 million 40-pound-box equivalents has been accepted into the apple assistance program for distribution to non-traditional outlets," said Kenneth C. Clayton, acting administrator of USDA's Agricultural Marketing Service.

Industry members who are participating in the apple assistance program indicated in their bid proposals that they were diverting their stocks to eligible outlets such as organizations that requested apples, manufacturers of ethanol, or livestock feed. Program apples will not be distributed to school lunch programs.

Clayton said about 57.5 million pounds of fresh apples will be diverted by 56 bidders in Connecticut, New York, Maine, Pennsylvania, Utah and Washington. The bidders were being notified by telegram and telefax today.

"The purpose of the apple assistance program was to deplete current perishable stocks before the new harvest becomes available in the fall, and it appears we have been helpful in doing that," Clayton said. He said surplus apples must be distributed by Aug. 31.

Clayton said that under terms of the assistance program, producers will receive payments of $4.97 to $8.20 for 40-pound cartons of apples and from $9.45 to $16.50 per hundredweight for apples in bulk bins.

USDA announced details of the apple assistance program on July 25. The fresh apples will be diverted in either 40-pound cartons or bulk bins. Clayton said USDA is not responsible for any costs in the distribution of apples belonging to industry members who applied for acceptance in the program.

Further information can be obtained from the Commodity Procurement Branch, Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, P.O. Box 96456, Rm. 2548-S, Washington, D.C. 20090-6456; telephone (202) 447-4517.

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YEUTTER, HILLS ANNOUNCE NEGOTIATIONS ON LONG-TERM GRAIN AGREEMENT WITH USSR

CHICAGO, Aug. 7—The United States and the Soviet Union will begin negotiations on a new long-term grain purchase agreement in December, U.S. Trade Representative Carla Hills and Secretary of Agriculture Clayton Yeutter announced today. Preliminary talks are scheduled to take place in Moscow during the week of Dec. 4.

In 1988, U.S. and USSR negotiators held a series of meetings designed to craft a new long-term agreement on Soviet purchases of U.S. grain. These efforts were unsuccessful, and the original 1983 agreement, which had been scheduled to end Sept. 30, 1988, was extended until Dec. 31, 1990.

"The long-term grain agreement has been beneficial for both nations," Hills said. "We are optimistic that an early start to the negotiations will result in an agreement that will enhance benefits for both sides."

Under the current agreement, the Soviet Union must purchase at least 4 million metric tons each of U.S. wheat and corn annually, and make additional purchases totaling at least 1 million metric tons of wheat, corn, soybeans or soybean meal, or any combination of these. The agreement also allows the Soviet Union to purchase up to 3 million metric tons of additional U.S wheat and corn. Any further purchases may be made only after consultation with the United States.

The delegation is expected to be led by Deputy U.S. Trade Representative Julius Katz, and will include representatives from the U.S. Departments of Agriculture and State.

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USDA FUNDS TARGETED FOR WATER AND SEWER PROJECTS IN COLONIAS

CHICAGO, Aug. 7—Secretary of Agriculture Clayton Yeutter today announced that more than $5.5 million in U.S. Department of Agriculture loans and grants are being targeted for water and sewer projects in colonias along the Mexican border in four U.S. states.

Colonias are patchwork communities populated largely by South and Central American and Mexican immigrants in unincorporated areas along the U.S.-Mexican border in Texas, New Mexico, Arizona and California. These communities often lack basic public facilities, such as safe drinking water, elementary sanitation, and paved streets. In Texas, more than 110,000 people live in colonias.

In addition to the targeted funds, Yeutter said, colonias will be given special consideration in assigning priority in the use of each state's regularly allocated funds under water and waste programs of USDA's Farmers Home Administration.

The funds will be available beginning Oct. 1, the start of fiscal 1990. The funds will represent 10 percent of FmHA's national office reserve, which is held for emergency use to alleviate serious health hazards connected with community water and waste treatment. Any unused funds will be returned to the reserve near the end of the fiscal year, when unused water and waste funds from all states are pooled.

The targeted funds are in addition to each state's normal allocation of FmHA loan and grant funds. Funding from each state's regular allocation will be available for other projects in counties where colonias are located.

Although fiscal 1990 funding levels have not yet been set by Congress, Texas should be allocated about $24 million for water and waste projects statewide, based on separate House and Senate-passed bills; Arizona should receive about $3 million; New Mexico $3 million; and California $15 million. These allocations, and the amount in FmHA's national office reserve, could change subject to final appropriations action by Congress.

"Our goal is the eradication of substandard living conditions for colonias residents," Yeutter said, "but success of the colonias program will depend on close cooperation among state, local and federal officials. First, we must have the assurance of public authorities that future development will be controlled so that new colonias do not crop up. Second, state and local governments should demonstrate their commitment

and concern by providing some degree of matching funds. And finally, the leadership must include the active involvement of public entities in the area."

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USDA REVISES FISCAL 1990 COUNTRY, COMMODITY ALLOCATIONS UNDER P.L. 480

WASHINGTON, Aug. 7—The U.S. Department of Agriculture today issued revised country and commodity allocations for fiscal 1989 under Titles I and III of Public Law 480, the Food for Peace Program.

Under Secretary of Agriculture Richard T. Crowder said current program plans provide $799.0 million for commodity shipments and ocean freight charges, changed from $805.3 million the previous quarter. Of the current amount, $780.0 million is presently allocated and $14.0 million is being held in unallocated reserve.

Crowder said actions are under way to transfer the $14.0 million reserve to Title II for food donation programs.

Since the last revision of the allocations, $3 million for Guinea and $2 million for Somalia have been transferred from Title I to the Title II program to meet financial and emergency food needs in those countries. Other changes include increases in the allocations for Sri Lanka, Bolivia, Egypt, El Salvador, Guyana, Honduras, Indonesia, Peru, Yemen and Zaire, and the identification of two new countries, the Congo and Cote d'Ivoire, for allocations. In addition, some minor revisions have been made to the commodity composition of the table.

The revised allocations meet the legal requirement of Section III of P.L. 480, which directs that not less than 75 percent of the food commodities be allocated to friendly countries that meet the per capita income criterion for lending by the International Development Association. Currently the countries in this category are those with an annual per capita gross national product of $940 or less.

Crowder said the program takes into account many variables: commodity and budget availabilities; changing economic and foreign policy situations, including human rights assessments; potential for market development; fluctuations in commodity prices; availability of handling,

storage and distribution facilities; and possible disincentives to local production.

Except for agreements already signed, these allocations do not represent final U.S. commitments or agreements with participating governments. Situations still may develop which could cause a further change in country and commodity allocations, Crowder said.

Title I of P.L. 480 is a concessional sales program designed to promote exports of agricultural commodities from the United States and to foster economic development in recipient countries. The program provides export credit of up to 40 years, with a grace period of up to 10 years and low interest rates.

Title III provides for the forgiveness of the debt incurred under Title I, based on accomplishments in food for development programs and projects agreed upon by the United States and recipient countries.

Additional technical information on the P.L. 480 program is available from Mary Chambliss of USDA's Foreign Agricultural Service, (202) 447-3573.

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USDA ANNOUNCES COMMON PROVISIONS OF 1990 FARM PROGRAMS

WASHINGTON, Aug. 7—Common provisions of the 1990 farm programs were announced today by Under Secretary of Agriculture Richard Crowder. They include limited cross compliance for wheat, corn, sorghum, barley, upland cotton and rice.

To be eligible under the cross compliance provision for price support loans, purchases or payments, the acreage planted for harvest on a farm may not exceed the acreage bases for these crops.

Limited cross compliance will not be in effect for 1990 crops of oats and extra long staple (ELS) cotton.

Other common program provisions applicable to the 1990 crops of wheat, feed grains, upland and ELS cotton and rice include:

—Offsetting compliance will not apply. This means that eligibility for a program payment and a loan for a program commodity on a farm will not be affected by actions taken to that commodity on another farm.

—Production of nonprogram crops on land idled under the various acreage reduction programs will not be permitted.

—Grazing of land designated as conservation use (CU) acreage for payment under the 50/92 and 0/92 program provisions of the upland cotton, rice, wheat and feed grain programs and acreage conservation reserve (ACR) will be permitted, except during a five-consecutive month period between April 1 and Oct. 31, 1990, as established by the state Agricultural Stabilization and Conservation (ASC) committee.

—Haying, during the same period, of acreage designated as CU and ACR will not be permitted unless the state ASC committee determines that haying will not have an adverse economic effect in that state.

—In the event of a natural disaster, haying and grazing of land designated as CU and ACR may also be permitted during the prohibited five-month period in those counties which are determined to be adversely affected by disaster conditions and approved by the Commodity Credit Corporation.

—The increase of any crop acreage base (CAB) with a corresponding downward adjustment in other CAB's on the farm generally will not be permitted. However, adjustments in CAB's will be considered when producers need to change cropping practices to carry out conservation compliance requirements on highly erodible land.

—Advance recourse commodity loans will not be made available.

—Advance deficiency payments will be made for wheat, feed grains, upland cotton and rice at 40 percent of the projected deficiency payment rates.

—Advance deficiency payment rates and what percentage, if any, of the advance to be paid in commodity certificates, will be announced later.

—USDA will establish program payment yields based on the average established for a farm during 1981-1985 crop years, excluding the highest and lowest yields. However, if this calculation results in a yield below 90 percent of the farm program payment yield for the 1985 crop year, producers will be compensated to ensure that they receive the same return as if the yield had not been reduced by more than 10 percent.

—The program enrollment period run from Jan. 16 through April 13, 1990.

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, August 8—Acting Under Secretary of Agriculture Ann Veneman today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

—long grain whole kernels, 14.15 cents per pound;
—medium grain whole kernels, 12.91 cents per pound;
—short grain whole kernels, 12.82 cents per pound;
—broken kernels, 7.07 cents per pound.

Based upon these prevailing world market prices for milled rice, rough rice world prices are estimated to be:

—long grain, $8.74 per hundredweight;
—medium grain, $8.10 per hundredweight;
—short grain, $7.73 per hundredweight.

The prices announced are effective today at 3 p.m. EDT. The next scheduled price announcement will be made August 15, at 3 p.m. EDT, although prices may be announced sooner if warranted.

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